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NORTHERN DISTRICT OF CALIFORNIA

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9 UNITED STATES DISTRICT COURT
 10 NORTHERN DISTRICT OF CALIFORNIA

C 06 6003

CW

12 SECURITIES AND EXCHANGE COMMISSION,

Case No. _____

14 Plaintiff,

COMPLAINT

15 vs.

16 THE CHILDREN'S INTERNET, INC., NASSER V.
 HAMEDANI, SHOLEH A. HAMEDANI, PETER A.
 17 PEREZ, CORT L. POYNER, and TWO DOG NET,
 INC.,

18 Defendants.

19
 20
 21 Plaintiff Securities and Exchange Commission (the "Commission") alleges:

22 SUMMARY OF THE ACTION

23 1. This matter arises out of a scheme by Nasser V. Hamedani and Sholeh A. Hamedani,
 24 father and daughter, to obtain money from investors through fraudulent sales of securities of a
 25 company they controlled, The Children's Internet, Inc. ("TCI"), based in Pleasanton, California.

26 2. From about February 2002 through June 2005, Nasser and Sholeh Hamedani,
 27 purportedly on behalf of TCI, fraudulently obtained approximately \$5.5 million from public
 28 investors. The defendants began selling TCI shares to the public long before TCI even existed and

1 long before any of the defendants had any means of delivering shares they promised to investors.

2 3. Even after TCI was formed and without telling investors, Nasser and Sholeh
3 Hamedani diverted a significant amount of the investors' money, which was supposed to fund the
4 company, to pay personal expenses, such as purchasing a family home they shared, purchasing
5 automobiles, and paying off gambling debts. They also diverted money obtained from TCI investors
6 to another company they controlled, Two Dog Net, Inc., and further used the investor funds to pay
7 hundreds of thousands of dollars in undisclosed commissions to two stock promoters, defendants
8 Peter Perez and Cort Poyner.

9 4. Once a public market in TCI's shares began trading in 2005, defendants Nasser and
10 Sholeh Hamedani dumped TCI shares that they controlled, further enriching themselves, while
11 preventing TCI's public investors from receiving share certificates they needed in order to sell their
12 securities.

13 5. By engaging in the acts alleged in this Complaint, the defendants, among other things,
14 violated the antifraud and registration provisions of the federal securities laws, and caused TCI to
15 make false filings with the Commission. The Commission seeks an order enjoining defendants from
16 future violations of the securities laws, requiring them to disgorge ill-gotten gains with prejudice
17 interest, and to pay civil monetary penalties, barring Nasser Hamedani and Sholeh Hamedani from
18 serving as officers or directors of a public company, barring each of the individual defendants from
19 participating in any offering of penny stock, and providing other appropriate relief.

20 JURISDICTION, VENUE, AND INTRADISTRICT ASSIGNMENT

21 6. This Court has jurisdiction over this action pursuant to Sections 20(b) and 22(a) of the
22 Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77t(b) and 77v(a)] and Sections 21(d), 21(e),
23 and 27 of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §§ 78u(d), 78u(e),
24 and 78aa].

25 7. The defendants, directly or indirectly, have made use of the means and
26 instrumentalities of interstate commerce or of the mails in connection with the acts, transactions,
27 practices and courses of business alleged in this Complaint.
28

FACTS

15. In early 2002, Nasser and Sholeh Hamedani set into motion a plan to take over a shell company and to sell stock to the public. To facilitate this plan, Nasser and Sholeh Hamedani created a California corporation called Shadrack Films, Inc. (“Shadrack”) – an entity with no business operations – for the sole purpose of acquiring the stock of a shell company. Sholeh Hamedani is Shadrack’s sole officer, director, and shareholder.

17. In or around August 2002, exercising their control over DWC, Sholeh and Nasser Hamedani named Sholeh Hamedani as DWC's sole officer. They also designated Sholeh Hamedani, another family member, and four other close associates of Nasser Hamedani, as DWC's new six-member board of directors.

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1 approximately 49 percent of the issued and outstanding shares of DWC by Nasser Hamedani, and by
2 five other family members and friends they selected whom they referred to as the “Nominees.”

3 19. The transaction by the Nominees was structured to make it appear that persons
4 unaffiliated with DWC purchased the stock. In reality, the Nominees were under the control of
5 Nasser Hamedani. After October 2002, Nasser and Sholeh Hamedani controlled, in part through their
6 control over the Nominees’ shares, more than 99 percent of DWC’s outstanding stock.

7 20. From in or around September through November 2002, DWC entered into agreements
8 with another company that Nasser and Sholeh Hamedani controlled, Two Dog Net, Inc., to permit
9 TCI to sell their internet product for children that Two Dog Net was then developing. In exchange,
10 Two Dog Net was promised a license payment of at least \$2 million to be paid within approximately
11 two years.

12 21. By approximately December 2002, Nasser and Sholeh Hamedani changed the name of
13 the shell company from DWC to The Children’s Internet, Inc. The company stated in public filings
14 that the name was changed to reflect the name of the internet product for children that the company
15 intended to sell. TCI did not release their eponymous product for sale to the public until March 2006.

16 **B. Defendants Induce Investments in TCI Through Misrepresentations and Omissions**

17 22. Nasser and Sholeh Hamedani began their fraudulent campaign of offering and selling
18 TCI shares to the public months before TCI even existed. Thus, no later than February 2002, Nasser
19 Hamedani engaged two Florida-based stock promoters – defendants Peter Perez and Cort Poyner – to
20 find prospective investors for TCI. Neither Perez nor Poyner were then affiliated with any
21 Commission-registered broker or dealer.

22 23. Beginning on or about February 25, 2002, Nasser and Sholeh Hamedani, and Perez
23 and Poyner, began offering for sale and purported to “sell” to investors shares of TCI, although they
24 did not yet own any interest in the shell company nor have any means of immediately delivering the
25 shares.

26 24. By the time the Hamedanis made their first acquisition of any shares of the shell
27 company in July 2002, Nasser and Sholeh Hamedani, and Perez and Poyner had together already
28 “sold” more than 350,000 shares of TCI, for \$2.00 per share, to more than 40 persons. However,

1 Nasser and Sholeh Hamedani, and Poyner and Perez failed to disclose to those investors that they
2 were selling something they did not even own or have the present ability to deliver. (See Appendix
3 setting forth transactions.)

4 25. Defendants continued in their fraudulent solicitations of investors, both before and
5 after acquiring control of TCI. Thus, from approximately February 2002 through approximately
6 December 2004, Nasser and Sholeh Hamedani and Perez together induced more than 200 persons to
7 make investments, purportedly in TCI, by telling them that the shares they were purchasing were
8 "free-trading" or "freely tradeable." These representations were not true, because: at least until
9 approximately August 2002, the defendants did not have any means to deliver shares in TCI to
10 investors; at least until approximately February 2005, there was no public market for TCI's shares;
11 and from approximately February 2002 through December 2004, the defendants did not in fact
12 deliver shares to investors until months or years after the investors paid for their shares, further
13 preventing investors from "trading" such shares. (See Appendix A setting forth transactions.)

14 26. From approximately February 2002 through September 2002, Poyner made similar
15 misrepresentations, falsely telling prospective investors that TCI's shares would soon be traded
16 through a public market and that the investors' shares would be freely tradeable, although he had no
17 factual bases for these representations. (See Appendix A setting forth transactions.)

18 27. Also, from approximately February 2002 through December 2005, in offering and
19 selling shares of TCI to investors, Nasser and Sholeh Hamedani and Perez failed to disclose the fact
20 that Perez was paid commissions of up to 25 percent of the value of each investment he brokered. In
21 addition, from approximately February 2002 through September 2002, Nasser and Sholeh Hamedani
22 and Poyner, similarly failed to disclose to investors that Poyner was paid commissions of up to 25
23 percent of the value of each investment he brokered.

24 28. Perez and Poyner made further misrepresentations to certain persons to induce them to
25 make investments in TCI, from approximately February 2002 through September 2002, stating,
26 among other things, that the investors would double their money when TCI began trading in a
27 national securities market, and that TCI's share would more than double, although they had no factual
28 basis for this representation.

29. From February 2002 through January 2005, Nasser and Sholeh Hamedani made further misrepresentations and omissions of fact to persons to induce them to invest by falsely representing, among other things, that the proceeds from the investments would be used to fund TCI, while failing to inform investors that a significant part of the proceeds the investments were used by Nasser and Sholeh Hamedani to pay for their personal expenses and for other expenses unrelated to TCI's operations.

30. The individual defendants' misrepresentations and omissions of fact regarding investors' ability to "freely trade" TCI securities and the uses of proceeds from the investments, including undisclosed commissions paid to Perez and Poyner, were material in that they were made (or omitted) to induce persons to purchase securities.

31. Defendants Nasser and Sholeh Hamedani, and Perez and Poyner, all knew, or were reckless in not knowing, that their representations about the investors' ability to "freely trade" TCI securities were not true and were misleading to investors. Defendants Nasser and Sholeh Hamedani, and Perez and Poyner, also all knew, or were reckless in not knowing, that their representations and omissions about the uses of the proceeds from the investments, including the undisclosed commissions paid to Perez and Poyner, were false and misleading to investors.

C. Defendants Nasser and Sholeh Hamedani Enrich Themselves Using Investor Funds

32. Altogether, defendants Nasser and Sholeh Hamedani received from their fraud approximately \$5.5 million, at the expense of the public purchasers of TCI's shares. The initial influx of funds from investors was in the form of sales purportedly made directly from TCI to investors from approximately February 2002 through December 2004, totaling approximately \$2.7 million.

33. Of the approximately \$2.7 million in investors funds obtained by the end of 2004, Nasser and Sholeh Hamedani used most to pay their personal and living expenses, and diverted some funds to Two Dog Net, as well as to pay commissions to Perez and Poyner. However, in their statements to investors (including in Commission filings), Nasser and Sholeh Hamedani and TCI failed to disclose their substantial use of investor funds for the Hamedanis.

1 34. Thus, TCI reported in its fiscal year 2004 annual report, filed with the Commission on
2 Form 10-KSB (dated June 9, 2005), that from its inception in 2002 through the year-end 2004, only
3 approximately \$395,000 was used to fund TCI's operations.

4 35. Of the remaining approximately \$2.3 million collected from investors through
5 December 2004, Nasser and Sholeh Hamedani transferred approximately \$1.2 million to a checking
6 account they used for personal expenses. From the \$1.2 million transferred to the checking account,
7 Nasser and Sholeh Hamedani used approximately \$300,000 to pay Nasser Hamedani's gambling
8 expenses; approximately \$275,000 to make payments for new automobiles, including a Corvette and
9 a Mercedes sedan, and for a down payment and mortgage payments on a personal residence they
10 shared; approximately \$250,000 to write checks made payable to various of their family members or
11 friends, or to "cash" or as cash withdrawals; and approximately \$75,000 for other family expenses,
12 such as school tuition and utility bills. These uses were not disclosed to investors.

13 36. Of the remaining \$1.1 million collected from investors as of December 2004 but not
14 diverted to the checking account used for personal expenses, Nasser and Sholeh Hamedani diverted
15 the investor funds to, among things, Two Dog Net and commission payments totaling approximately
16 \$365,000 to Perez and Poyner. In addition, Nasser and Sholeh Hamedani used approximately
17 \$150,000 to pay for the 51 percent interest in DWC in around July 2002, although the shares acquired
18 were held in the name of Shadrack Films and later resold to TCI investors. These uses were also not
19 disclosed to investors.

20 37. Nasser and Sholeh Hamedani each misused and misappropriated to their own purposes
21 funds they knew, or were reckless in not knowing, investors had provided to them for the purpose of
22 funding TCI and its operations. Their misappropriation and misuse of the proceeds from the
23 investments was material, in that it deprived TCI of significant funds.

24 **D. Defendants Obtain Additional Investor Funds Through False Representations**

25 38. On or around February 23, 2005, TCI's common stock first became publicly quoted on
26 the OTC Bulletin Board, a system for the national quotation of securities. During the first week of
27 trading in TCI's securities via this quotation service, TCI's securities were bought and sold at prices
28 ranging as high as approximately \$6.00 to \$10.00 per share.

1 39. In the weeks and months just before and after TCI's stock was publicly quoted, Nasser
2 and Sholeh Hamedani primed investors for this event by telling them that shares of TCI could be
3 purchased directly from the company at a bargain to such market-driven prices. Thus, between
4 December 2004 and June 2005, Nasser and Sholeh Hamedani solicited investors for, and sold, more
5 than 750,000 shares of TCI common stock, collecting approximately \$750,000 from more than 100
6 investors nationwide. Most of these sales were made during a three-month period between February
7 and May 2005. No registration statement was filed with the Commission regarding the sale of these
8 shares. (See Appendix B setting forth transactions.)

9 40. Nasser and Sholeh Hamedani's verbal and written statements to investors and
10 prospective investors that they were purchasing shares from the company, and that they made an
11 investment with TCI, were false and misleading. Contrary to their representations, the shares
12 purchased were not "an investment with TCI," but were rather sales of shares held in the name of
13 Shadrack Films, the company that Sholeh Hamedani wholly owned and controlled. As a
14 consequence, and undisclosed to investors, the money paid by investors was treated by Nasser and
15 Sholeh Hamedani as their own money rather than capital for TCI.

16 41. Defendants Nasser and Sholeh Hamedani knew, or were reckless in not knowing, that
17 their claims to investors about who would benefit from the proceeds of the sales were false and
18 misleading. Defendants' misrepresentations and omissions about the source of the shares and the use
19 of proceeds were material because, among other reasons, investors were misled into believing that
20 their purchases would provide operating capital for the company in which they were investing when,
21 instead, their purchases only enriched Nasser and Sholeh Hamedani.

22 42. As an officer, director, and a shareholder of more than 10 percent of the issued and
23 outstanding shares of TCI, Sholeh Hamedani was required to report her purchases and sales of TCI
24 stock made either directly, or indirectly on her behalf, to the Commission. However, from
25 approximately July 2004 through December 2005, Sholeh Hamedani failed to report, in the forms
26 required to be filed with the Commission, the sale of more than approximately 750,000 shares of
27 stock between July 2004 and July 2005 that had been held in the name of Shadrack Films.
28

1 **E. Defendants Limit and Control Public Sales of TCI Shares for Their Own Gain**

2 43. When TCI's common stock first became publicly quoted on the OTC Bulletin Board,
3 on or around February 23, 2005, defendants Nasser and Sholeh Hamedani controlled, through a series
4 of devices, the vast majority of shares then traded through the new market. They used their control to
5 enrich themselves, by limiting the number of shares actually sold.

6 44. Nasser and Sholeh Hamedani limited the number of shares that could be sold once
7 TCI's stock became quoted on the OTC Bulletin Board by delaying the issuance of stock certificates
8 to investors who had paid for their shares of TCI months or years earlier. Although the defendants
9 arranged for shares of TCI they owned or controlled to be available for resale from brokerage
10 accounts, they failed to prepare, and purposefully delayed forwarding, necessary paperwork that
11 TCI's public investors needed to transfer their shares. At the same time, in written correspondence
12 and in other communications, Sholeh Hamedani lulled investors into believing that they would be
13 able to sell their TCI shares profitably as soon as a public market for the stock was initiated.

14 45. By approximately mid-March 2005, Sholeh Hamedani received from TCI's transfer
15 agent share certificates representing shares issued in the names of investors not controlled by the
16 defendants. However, Sholeh Hamedani did not provide the investors the certificates until on or
17 around April 29, 2005. By that point, the quoted share price for TCI's stock had fallen by
18 approximately 80 percent and was then trading in the same range at which many investors had
19 originally purchased their shares, at approximately \$2.00 per share.

20 46. Beginning in approximately February 2005, Nasser Hamedani arranged for two
21 brokerage accounts to be opened, one in the name of Soraiya Hamedani, Nasser Hamedani's
22 daughter, and the other in the name of Nasser Hamedani's nephew, Farzin Cigarchi, who was also
23 one of the original five Nominees. Within days of the initiation of the publicly-quoted market in
24 February 2005, approximately 60,000 shares of TCI stock were deposited into Nasser Hamedani's
25 daughter's brokerage account, which were then sold to the public immediately. In total, more than
26 90,000 shares were sold from the account by approximately May 2005, netting Nasser Hamedani
27 approximately \$440,000.
28

47. By early April 2005, the second account opened in the name of the nephew, Cigarchi, began to sell approximately 24,000 TCI shares deposited into that account, at a point when the quoted price ranged around \$6.00 per share. In total, approximately 830,000 TCI shares were sold from this account through approximately August 2005, netting Nasser Hamedani approximately \$1.64 million.

48. Of the more than \$2 million generated by the sales of TCI shares from these accounts, approximately \$1.6 million was delivered to Nasser Hamedani through checks and withdrawals from the brokerage accounts, while his relatives used the remaining approximately \$400,000.

49. Sholeh Hamedani acted knowingly, or recklessly, and with the intent to deceive TCI's investors, by withholding share certificates and by lulling investors with false promises regarding their future receipt of share certificates. Nasser Hamedani acted knowingly, or recklessly, and with the intent to deceive TCI's investors, by controlling the trading of shares in TCI through accounts held in the names of other persons.

F. Defendants Made False Statements in Filings with the Commission

False and Misleading Registration Statement

50. On or about February 10, 2003, TCI filed with the Commission a registration statement (on Form SB-2) seeking to register stock sale transactions relating to 1,118,500 shares by approximately 80 persons described as selling shareholders. Also described in the registration statement were an additional 4 million shares to be issued by TCI. On six dates – July 3, 2003, September 11, 2003, December 8, 2003, February 13, 2004, April 6, 2004, and April 29, 2004 – TCI submitted amendments to this registration statement (on Forms SB-2/A), prior to the date TCI listed in its prospectus (filed with the Commission on or around May 13, 2004) as the effective date of the registration, May 5, 2004.

51. The February 2003 registration statement (and each of the six amendments) falsely and materially described the number of shares TCI had purported to sell to investors, and to whom. Consequently, the registration statement (and the amendments) misrepresented who the true shareholders of TCI were, who controlled TCI, and who would benefit from resales of the shares described in the registration statement.

1 52. In particular, the registration statement (and the six amendments) falsely stated the
2 total number of TCI shares that had previously been sold. It thus stated that the number of shares of
3 TCI stock that were then issued and outstanding totaled 2,287,755. However, the registration
4 statement failed to disclose that, by approximately April 29, 2004 (the date of the last amendment
5 filed prior to the effective date of the registration statement), Nasser and Sholeh Hamedani and TCI
6 had purported to sell a total of approximately 800,000 shares of TCI over and above the 2,287,755
7 shares that were described as issued and outstanding. Defendants' misrepresentations and omissions
8 in the registration statement materially understated the number of TCI's shares sold, and thus
9 understated the value to each shareholder of their respective investment in the company.

10 53. The registration statement (and the six amendments) also materially misstated the
11 ownership stake of various of the selling shareholders. For instance, among the approximately 80
12 selling shareholders listed were four of the original Nominees who were described as owning a total
13 of 12.20 percent of TCI's outstanding shares. However, the registration statement (and the six
14 amendments) did not disclose that TCI, Nasser Hamedani and Sholeh Hamedani actually controlled
15 the disposition of the Nominees' shares. The registration statement (and the six amendments) also
16 falsely stated that "all proceeds from the sale of [the selling shareholders'] shares ... will go directly
17 to the selling stockholders," when in fact a large amount of the proceeds actually flowed to Nasser
18 and Sholeh Hamedani. These statements and omissions were material, in that they disguised who the
19 "selling shareholders" truly were, and who would be enriched by the subsequent sales.

20 54. The registration statement (and the six amendments) also failed to disclose the fact
21 that Nasser Hamedani, together with Sholeh Hamedani, essentially ran TCI from approximately July
22 2002 through the date of the sixth amendment in April 2004. Among other things, Nasser Hamedani
23 arranged for the purchase of the shell company which became TCI, hired Perez and Poyner, managed
24 the sale of TCI's stock to investors, made decisions about key aspects of TCI's business including
25 choosing TCI personnel, and maintained control, with Sholeh Hamedani, of bank accounts into which
26 TCI's investors' funds were deposited.

27 55. TCI's registration statement (and the six amendments) also falsely stated that Sholeh
28 Hamedani "... does not have an arrangement with a broker or dealer to effect transactions in

1 securities,” and further listed defendant Poyner, and the entity he controlled, as a selling shareholders
2 who owned 60,000; however, the registration statement failed to disclose that defendant Peter Perez
3 was acting as a broker for TCI and selling TCI shares at the time the registration statement, and each
4 of the amendments, was filed with the Commission.

5 56. Each of the false and misleading statements and material omissions of fact described
6 above and contained in the registration statement were material because, among other things, they
7 misstated important information to investors about the number of TCI shares outstanding and the
8 value of each investor’s shares, who controlled TCI, and how the proceeds from stock sales were
9 used to secretly enrich defendants Nasser and Sholeh Hamedani.

10 57. Sholeh Hamedani signed the false and misleading registration statement and each of
11 the six amendments as TCI’s chief executive officer, chief financial officer, and president, while
12 knowing or reckless in not knowing, among other things, that statements about the ownership of the
13 shares of TCI, who controlled TCI, and who would benefit from resales of the shares described in the
14 registration statement were not true.

15 58. Nasser Hamedani knowingly supplied substantial assistance to Sholeh Hamedani and
16 TCI in preparing the false and misleading registration statement and each of the six amendments, by
17 among other things, arranging for transactions in TCI securities that he controlled to be conducted
18 through Nominees, and misreporting and disguising his control over TCI’s operations.

19 ***False and Misleading June 2005 Annual Report and Restatement***

20 59. On or around June 8, 2005, defendants Nasser Hamedani, Sholeh Hamedani and TCI
21 continued in their fraudulent scheme to mislead investors about the TCI securities they had sold by
22 making false statements in the TCI annual report filed with the Commission on Form 10-KSB for the
23 period ended December 31, 2004. The annual report included a “restatement,” purportedly of the
24 financial results of TCI for the annual periods ending December 31, 2002 and 2003 (and for interim
25 quarterly periods), which the company represented was for the purpose of correcting information
26 about shares issued and outstanding by the company. In fact, the information included in the
27 restatement was itself false and misleading.
28

1 60. In describing the restatement in the annual report on Form 10-KSB, TCI stated that its
2 “management identified an agreement that the Company had entered into with five of our
3 shareholders on October 11, 2002,” but that the supposed “agreement was not disclosed in any of the
4 Company’s previous SEC filings or otherwise included as an exhibit as a result of an error of
5 omission.” According to TCI, the purportedly omitted October 11, 2002 agreement memorialized a
6 stock split in which the five shareholders received “restricted” shares in exchange for their then-
7 existing shares. Specifically, TCI represented:

8 This agreement provided that . . . the Company would issue four shares of its restricted
9 common stock for every one share owned. The aggregate number of shares of restricted
10 common stock that the Company was obligated to issue pursuant to the agreement was
11 4,474,000 . . . shares.

12 61. TCI’s representations about the existence of the purportedly omitted October 11,
13 2002 agreement, the terms of the agreement, and the consequences of the agreement were false and
14 misleading because, among other things, TCI’s public filings, its other agreements, its internal
15 documentation, the actions of TCI’s board, and the actions of the purported signatories to the
16 agreement at the time of and after the supposed date of the agreement contradict the existence of any
17 such agreement.

18 62. The false restatement was actually prepared to cover up, after the fact, the sales of TCI
19 shares to investors by TCI and Nasser and Sholeh Hamedani, in numbers that greatly exceeded the
20 number of shares that TCI then had issued and outstanding. In particular, based on the
21 representations and promises of TCI and Nasser and Sholeh Hamedani to investors, the defendants
22 had oversold by approximately 35 percent the number of shares of TCI that had actually been
23 approved by TCI’s board of directors and issued by the company.

24 63. The misrepresentations about the restatement and the purportedly omitted agreement,
25 contained in the June 2005 annual report filed on Form 10-KSB, were material, in that they
26 misrepresented important facts about the number of TCI shares issued and outstanding and the value
27 of each investor’s stake in the company; who controlled TCI; and the capitalization of TCI during
28 2002, 2003 and 2004.

64. In connection with the audit conducted of TCI's financial statements by the company's outside auditors, Sholeh Hamedani made false representations to the auditors about the existence of the October 11, 2002 agreement.

65. Sholeh Hamedani signed TCI's fiscal 2005 annual report, filed on Form 10-KSB, as TCI's chief executive officer and chief financial officer, and she falsely certified, among other things, that she was aware of no fraud in connection with the preparation of TCI's financial statements.

66. Nasser Hamedani knowingly supplied substantial assistance to Sholeh Hamedani and TCI in preparing the false and misleading annual report and restatement, by among other things, knowingly arranging for transactions in TCI securities which grossly exceeded the number of shares TCI had issued, and employing devices to hide that fact from investors and other persons.

False and Misleading 2005 Current and Quarterly Reports

67. Defendants TCI and Sholeh Hamedani also made false and misleading representations and omissions regarding the number of shares TCI had issued and sold to investors in current and quarterly reports filed with the Commission. Thus, a current report filed with the Commission on Form 8-K by TCI, dated on or about February 22, 2005, falsely stated that "the most recent sale of a share of [TCI's] common stock . . . occurred in October 2002 in a private transaction" and purportedly at a price of "\$.07 per share." In fact, TCI represented to hundreds of investors between October 2002 and February 2005 that they were purchasing TCI shares from TCI for prices ranging from \$0.50 to \$2.00 per share, and those sales involved more than a million shares. The representations in the February 2005 current report were material in that they concealed the number of shares TCI had sold, and thus the value of each investor's investment in TCI.

68. Defendants TCI and Sholeh Hamedani also made misrepresentations and omissions of fact about the existence of the purportedly omitted October 11, 2002 agreement in a current report filed with the Commission on Form 8-K, dated on or about April 20, 2005 and in a quarterly report for the period ended June 30, 2005, filed with the Commission on Form 10-QSB on or around August 15, 2005. In both the April 2005 current report, and the August 2005 quarterly report, TCI falsely described that the October 11, 2002 agreement existed and falsely set forth purported terms of the agreement. These statements were misrepresentations. TCI and Sholeh Hamedani made further

1 misrepresentations about the consequences of the purported agreement to TCI's previously reported
2 financial results and the number of shares the company had issued and outstanding.

3 69. Sholeh Hamedani signed the current report filed with the Commission on Form 8-K as
4 TCI's chief executive officer, and she signed the quarterly report filed with the Commission on Form
5 10-QSB as TCI's chief executive officer and chief financial officer, while knowing, or reckless in not
6 knowing, that the representations made in each about the existence of the October 11, 2002
7 agreement were not true.

8 70. Sholeh Hamedani also falsely certified in the quarterly report filed with the
9 Commission on Form 10-QSB, as the chief executive officer and the chief financial officer of TCI,
10 among other things, that the report did "not contain any untrue statement of a material fact or omit to
11 state a material fact necessary to make the statements made, in light of the circumstances under which
12 such statements were made, not misleading" and "[a]ny fraud, whether or not material, that involves
13 management or other employees who have a significant role in the Company's internal control and
14 procedures over financial reporting." Her certifications were false and misleading because, among
15 other things, she knew or should have known that the representations about the purported October 11,
16 2002 agreement were not true.

17 71. The representations and omissions of fact in each of the current and quarterly reports
18 were material because, among other things, they concealed the number of shares TCI had sold, and
19 thus significantly misstated the value of each investor's investment in TCI.

20 **FIRST CLAIM FOR RELIEF**

21 *Violations of Sections 5(a) and 5(c) of the Securities Act by all Defendants*

22 72. Paragraphs 1 through 71 are re-alleged and incorporated by reference.

23 73. By engaging in the conduct described above, TCI, Two Dog Net, Sholeh Hamedani,
24 Nasser Hamedani, Perez, and Poyner, directly or indirectly, by use of the means and instruments of
25 transportation and communication in interstate commerce, and by use of the mails, offered to sell and
26 sold certain securities as to which no registration statement was either filed with the Commission nor
27 in effect.
28

74. By reason of the foregoing, the defendants violated and, unless restrained and enjoined, will continue to violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a) and 15 U.S.C. § 77e(c)].

SECOND CLAIM FOR RELIEF

Violations of Section 17(a) of the Securities Act by all Defendants

75. Paragraphs 1 through 71 are re-alleged and incorporated by reference.

76. By engaging in the conduct described above, TCI, Two Dog Net, Sholeh Hamedani, Nasser Hamedani, Perez, and Poyner, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, with scienter:

- (a) employed devices, schemes, or artifices to defraud;
- (b) obtained money or property by means of untrue statements of material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

77. By reason of the foregoing, the defendants violated and, unless restrained and enjoined, will continue to violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

THIRD CLAIM FOR RELIEF

Violations of Section 10(b) of the Exchange Act and Rule 10b-5 by all Defendants

78. Paragraphs 1 through 71 are re-alleged and incorporated by reference.

79. By engaging in the conduct described above, TCI, Two Dog Net, Sholeh Hamedani, Nasser Hamedani, Perez and Poyner, directly or indirectly, in connection with the purchase or sale of a security, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, with scienter:

- a. employed devices, schemes, or artifices to defraud;

- b. made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- c. engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

80. By reason of the foregoing, defendants violated and, unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

81. By reason of the foregoing, Two Dog Net, Nasser Hamedani, Perez and Poyner knowingly provided substantial assistance to violations by others of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5], and therefore are liable as aiders and abettors pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)].

FOURTH CLAIM FOR RELIEF

Violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, 13a-11, 13a-13 by TCI, Aided and Abetted by Sholeh Hamedani

82. Paragraphs 1 through 71 are re-alleged and incorporated by reference.

83. Based on the conduct alleged above, TCI violated Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13], which obligate issuers of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] to file with the Commission accurate quarterly, current and annual reports.

84. By reason of the foregoing, TCI violated, and unless restrained and enjoined, will continue to violate Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13].

85. By engaging in the conduct alleged above, Sholeh Hamedani knowingly provided substantial assistance to TCI's violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11, 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13], and therefore is liable as an aider and abettor pursuant to Section 20(e) of the

1 Exchange Act [15 U.S.C. § 78t(e)]. Unless restrained and enjoined, Sholeh Hamedani will continue
 2 to aid and abet such violations.

3 **FIFTH CLAIM FOR RELIEF**

4 *Violations of Section 13(b)(2)(A) of the Exchange Act by TCI,*

5 *Aided and Abetted by Sholeh Hamedani*

6 86. Paragraphs 1 through 71 are re-alleged and incorporated by reference.

7 87. Based on the conduct alleged above, TCI violated Section 13(b)(2)(A) of the
 8 Exchange Act [15 U.S.C. § 78m(b)(2)(A)], which obligates issuers of securities registered pursuant to
 9 Section 12 of the Exchange Act [15 U.S.C. § 78l] to make and keep books, records and accounts
 10 which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets
 11 of the issuer.

12 88. By engaging in the conduct described above, TCI violated and, unless restrained and
 13 enjoined, will continue to violate Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. §
 14 78m(b)(2)(A)].

15 89. By engaging in the conduct alleged above, Sholeh Hamedani knowingly provided
 16 substantial assistance to TCI's violations of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. §
 17 78m(b)(2)(A)], and therefore is liable as an aider and abettor pursuant to Section 20(e) of the
 18 Exchange Act [15 U.S.C. § 78t(e)]. Unless restrained and enjoined, Sholeh Hamedani will continue
 19 to aid and abet such violations.

20 **SIXTH CLAIM FOR RELIEF**

21 *Violations of Section 13(b)(2)(B) of the Exchange Act by TCI,*

22 *Aided and Abetted by Sholeh Hamedani*

23 90. Paragraphs 1 through 71 are re-alleged and incorporated by reference.

24 91. Based on the conduct alleged above, TCI violated Section 13(b)(2)(B) of the
 25 Exchange Act [15 U.S.C. § 78m(b)(2)(B)], which obligates issuers of securities registered pursuant to
 26 Section 12 of the Exchange Act [15 U.S.C. § 78l] to devise and maintain a sufficient system of
 27 internal accounting controls.

92. By engaging in the conduct described above, TCI violated, and unless restrained and enjoined, will continue to violate Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)].

93. By engaging in the conduct alleged above, Sholeh Hamedani knowingly provided substantial assistance to TCI's violations of Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)], and therefore is liable as an aider and abettor pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)]. Unless restrained and enjoined, Sholeh Hamedani will continue to aid and abet such violations.

SEVENTH CLAIM FOR RELIEF

Violation of Section 13(b)(5) of the Exchange Act and Rule 13b2-1 by Sholeh Hamedani

94. Paragraphs 1 through 71 are re-alleged and incorporated by reference.

95. By the conduct alleged above, Sholeh Hamedani knowingly falsifying certain books, records, and accounts and knowingly circumvented TCI's system of internal accounting controls, in violation of Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)], and Rule 13b2-1 [17 C.F.R. § 240.13b2-1].

96. Unless restrained and enjoined, Sholeh Hamedani will continue to violate Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)], and Rule 13b2-1 [17 C.F.R. § 240.13b2-1].

EIGHTH CLAIM FOR RELIEF

Violation of Exchange Act Rule 13b2-2 by Sholeh Hamedani

97. Paragraphs 1 through 71 are re-alleged and incorporated by reference.

98. By engaging in the acts and conduct alleged above, Sholeh Hamedani, directly or indirectly, knowingly made or caused to be made materially false or misleading statements or omitted to state or caused another person to omit to state, material facts necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with an audit or examination of the financial statements of TCI required to be made or the preparation or filing of reports required to be filed by TCI with the Commission

99. By reason of the foregoing, Sholeh Hamedani violated and, unless restrained and enjoined, will continue to violate Exchange Act Rule 13b2-2 [17 C.F.R. § 240.13b2-2].

NINTH CLAIM FOR RELIEF*Violation of Exchange Act Rule 13a-14 by Sholeh Hamedani*

100. Paragraphs 1 through 71 are re-alleged and incorporated by reference.

101. As TCI's principal executive officer and principal financial officer, Sholeh Hamedani signed false certifications pursuant to Rule 13a-14 under the Exchange Act [17 C.F.R. § 240.13a-14] which were included in TCI's annual report for the year ended December 31, 2004, filed with the Commission on Form 10-KSB. In the certification, Sholeh Hamedani falsely stated, among other things, that: (a) the report did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading; and (b) the financial statements, and other financial information included in the report, fairly presented in all material respects the financial condition, results of operations, and cash flows of TCI as of, and for, the period presented in the report.

102. By reason of the foregoing, Sholeh Hamedani has violated and, unless restrained and enjoined, will continue to violate Exchange Act Rule 13a-14 [17 C.F.R. §240.13a-14].

TENTH CLAIM FOR RELIEF*Violations of Section 16(a) of the Exchange Act by Sholeh Hamedani*

103. Paragraphs 1 through 71 are re-alleged and incorporated by reference.

104. Sholeh Hamedani was an officer and director of TCI and, directly or indirectly, a beneficial owner of more than ten percent of TCI's common stock.

105. By engaging in the conduct described above, Sholeh Hamedani failed to file statements accurately reflecting changes in her beneficial ownership of TCI's common stock and annual statements accurately reflecting her beneficial ownership of TCI's common stock. By reason of the foregoing, Sholeh Hamedani violated and, unless restrained and enjoined, will continue to violate, Section 16(a) of the Exchange Act [15 U.S.C. § 78p(a)].

ELEVENTH CLAIM FOR RELIEF*Violations of Section 15(a) of the Exchange Act against Perez and Poyner*

106. Paragraphs 1 through 71 are re-alleged and incorporated by reference.

1 active concert or participation with them, from violating Section 15(a) of the Exchange Act [15
2 U.S.C. § 78o(b)].

3 II.

4 Issue an order requiring each defendant to disgorge his ill-gotten gains, plus prejudgment
5 interest;

6 III.

7 Issue an order requiring each defendant to pay civil monetary penalties pursuant to Section
8 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C.
9 § 78u(d)(3)];

10 IV.

11 Issue an order pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)],
12 prohibiting Sholeh Hamedani and Nasser Hamedani from acting as officers or directors of an issuer
13 that has a class of securities registered, or is required to file reports, pursuant to the Exchange Act;

14 V.

15 Issue an order pursuant to Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)],
16 prohibiting Sholeh Hamedani, Nasser Hamedani, Perez and Poyner from participating in any offering
17 of penny stock;

18 VI.

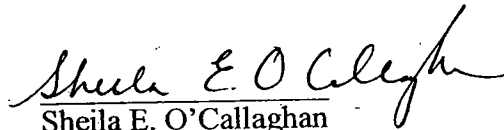
19 Retain jurisdiction over this action in accordance with the principles of equity and the Federal
20 Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that
21 may be entered, or to entertain any suitable application or motion for additional relief within the
22 jurisdiction of this Court; and

VII.

Grant such additional relief as the Court may determine to be just and necessary.

Dated: September 27, 2006

Respectfully submitted,



Sheila E. O'Callaghan
Attorney for Plaintiff
SECURITIES AND EXCHANGE
COMMISSION

Appendix A

Investment Date	Investor	Price	# of Shares	Total Investment
2/25/2002	CA	2.00	5,000	\$10,000.00
3/4/2002	MJ	2.00	8,000	\$16,000.00
3/6/2002	OLE	2.00	5,000	\$10,000.00
3/11/2002	WM	2.00	15,000	\$30,000.00
3/14/2002	LD	2.00	5,000	\$10,000.00
3/14/2002	NT	2.00	10,000	\$20,000.00
3/20/2002	J1(JSP)	2.00	12,500	\$25,000.00
3/20/2002	PJS(J1)	2.00	12,500	\$25,000.00
3/25/2002	FE	2.00	4,000	\$8,000.00
3/29/2002	HK	2.00	1,000	\$2,000.00
3/29/2002	LM	2.00	750	\$1,500.00
4/1/2002	HR	2.00	6,500	\$13,000.00
4/17/2002	DT	2.00	2,500	\$5,000.00
4/18/2002	EM	2.00	5,000	\$10,000.00
4/18/2002	HV	2.00	4,000	\$8,000.00
4/19/2002	GT	2.00	500	\$1,000.00
4/24/2002	HPK	2.00	2,000	\$4,000.00
5/1/2002	KRL	2.00	10,000	\$20,000.00
5/1/2002	MGG(J)	2.00	5,000	\$10,000.00
5/1/2002	PKG	2.00	1,000	\$2,000.00
5/1/2002	SR	2.00	2,500	\$5,000.00
5/1/2002	WLG	2.00	1,000	\$2,000.00
5/2/2002	SR	2.00	1,000	\$2,000.00
5/3/2002	SWPO	2.00	5,000	\$10,000.00
5/3/2002	SN	2.00	20,000	\$40,000.00
5/6/2002	CAF	2.00	4,000	\$8,000.00
5/6/2002	CR	2.00	2,000	\$4,000.00
5/7/2002	CJ	2.00	2,500	\$5,000.00
5/10/2002	CF	2.00	2,500	\$5,000.00
5/10/2002	HE	2.00	1,250	\$2,500.00
5/11/2002	GRE	2.00	1,250	\$2,500.00
5/13/2002	ML	2.00	1,000	\$2,000.00
5/13/2002	MEP	2.00	1,250	\$2,500.00
5/20/2002	KRL	2.00	5,000	\$10,000.00
5/21/2002	GJ	2.00	5,000	\$10,000.00
5/31/2002	SS(CE)	2.00	60,000	\$120,000.00
6/7/2002	PM	2.00	10,000	\$20,000.00
6/18/2002	AM	2.00	1,500	\$3,000.00
6/20/2002	DJ	2.00	5,000	\$10,000.00
6/20/2002	EP	2.00	2,500	\$5,000.00
6/21/2002	GW	2.00	20,000	\$40,000.00
6/24/2002	BF	2.00	23,000	\$46,000.00
6/24/2002	PJ	2.00	15,000	\$30,000.00
7/2/2002	SD	2.00	1,000	\$2,000.00
7/2/2002	SS	2.00	50,000	\$100,000.00
7/3/2002	EPJ	2.00	2,000	\$4,000.00
7/3/2002	PM	2.00	1,000	\$2,000.00
7/22/2002	BMA	1.50	6,000	\$9,000.00
7/29/2002	KT	2.00	2,500	\$5,000.00
7/31/2002	LR	2.00	5,000	\$10,000.00
8/8/2002	PD	2.00	3,000	\$6,000.00
9/11/2002	HE	2.00	1,500	\$3,000.00
9/17/2002	GB(NS)	2.00	3,000	\$6,000.00
9/19/2002	JA	2.00	1,000	\$2,000.00
9/26/2002	CJ(MC)	2.00	2,500	\$5,000.00

Appendix A

Investment Date	Investor	Price	# of Shares	Total Investment
10/7/2002	BDK	2.00	10,000	\$20,000.00
10/14/2002	GB(NS)	2.00	2,000	\$4,000.00
10/25/2002	WM	2.00	500	\$1,000.00
10/31/2002	LH	2.00	25,000	\$50,000.00
10/31/2002	LH	1.50	33,335	\$50,000.00
11/5/2002	SA		32,160	
11/5/2002	SS	1.00	100,000	\$100,000.00
11/27/2002	SR	1.00	1,300	\$1,300.00
11/30/2002	MD	1.00	1,000	\$1,000.00
12/30/2002	AJ	1.00	5,000	\$5,000.00
12/31/2002	OJ	1.00	10,000	\$10,000.00
1/2/2003	HGM	1.00	2,500	\$2,500.00
1/3/2003	CEL	1.00	10,000	\$10,000.00
1/3/2003	JL	1.00	5,000	\$5,000.00
1/3/2003	KE	1.00	5,000	\$5,000.00
1/3/2003	SM	1.00	5,000	\$5,000.00
1/6/2003	DB	1.00	5,000	\$5,000.00
1/7/2003	PFP	2.00	35,000	\$70,000.00
1/7/2003	TBF	1.00	2,500	\$2,500.00
1/9/2003	EB	1.00	5,000	\$5,000.00
1/9/2003	SR3	1.00	5,000	\$5,000.00
1/9/2003	SRS	1.00	5,000	\$5,000.00
1/15/2003	PFP(PP)	2.00	12,000	\$23,980.00
1/15/2003	SGS	1.00	5,000	\$5,000.00
1/16/2003	PFP(PP)	2.00	5,000	\$10,000.00
1/16/2003	PFP(PP)	2.00	8,000	\$15,985.00
1/23/2003	FF	1.00	6,000	\$6,000.00
3/21/2003	AD	2.00	2,500	\$5,000.00
4/1/2003	SS(CE)	1.00	150,000	\$150,000.00
4/29/2003	LM	2.00	3,000	\$6,000.00
5/1/2003	LM	2.00	5,000	\$10,000.00
5/9/2003	OS	1.50	35,000	\$52,500.00
5/12/2003	WT	1.50	35,000	\$52,500.00
6/4/2003	CMM	1.50	1,334	\$2,001.00
6/4/2003	CM	1.50	1,334	\$2,001.00
6/4/2003	CM(PT)	1.50	1,334	\$2,001.00
6/12/2003	HM	1.50	6,667	\$10,000.00
7/31/2003	SK	0.50	20,000	\$10,000.00
8/1/2003	KRL	1.00	10,000	\$10,000.00
8/6/2003	SS(CE)	0.50	100,000	\$50,000.00
8/8/2003	KRL	1.00	10,000	\$10,000.00
8/8/2003	SD	1.00	10,000	\$10,000.00
8/15/2003	FE	1.00	5,000	\$5,000.00
8/18/2003	KRL	1.00	10,000	\$10,000.00
9/9/2003	KRL	1.50	15,000	\$22,500.00
9/11/2003	DT	1.50	10,000	\$15,000.00
9/16/2003	HRK	1.50	5,000	\$7,500.00
9/18/2003	FE	1.50	6,000	\$9,000.00
9/22/2003	CSA	1.50	2,500	\$3,750.00
9/22/2003	DB	1.00	5,000	\$5,000.00
9/22/2003	ER	1.50	10,000	\$15,000.00
9/22/2003	EHN	1.50	5,000	\$7,500.00
9/22/2003	GN	1.50	2,500	\$3,750.00

Appendix A

Investment Date	Investor	Price	# of Shares	Total Investment
9/22/2003	HT	1.50	5,000	\$7,500.00
9/22/2003	HD	1.50	5,000	\$7,500.00
9/22/2003	KPJ	1.50	5,000	\$7,500.00
9/22/2003	OG	1.50	5,000	\$7,500.00
9/25/2003	AS	1.50	1,000	\$1,500.00
9/25/2003	KRL	1.50	8,000	\$12,000.00
9/25/2003	NCJ	1.50	1,000	\$1,500.00
9/25/2003	OW	1.50	5,000	\$7,500.00
10/31/2003	KRL	1.50	30,000	\$45,000.00
11/18/2003	EM	1.50	2,500	\$3,750.00
11/18/2003	ER	1.50	7,500	\$11,250.00
11/18/2003	ET	1.50	12,500	\$18,750.00
11/18/2003	EHN	1.50	2,500	\$3,750.00
11/18/2003	RD	1.50	2,500	\$3,750.00
11/25/2003	ES	1.50	2,000	\$3,000.00
11/25/2003	FE	1.50	3,000	\$4,500.00
12/1/2003	LV	1.00	2,300	\$2,300.00
12/8/2003	HT	1.50	3,200	\$4,800.00
1/3/2004	MDF	1.50	1,500	\$2,250.00
1/8/2004	ED	1.50	3,500	\$5,250.00
1/8/2004	VG	1.50	5,000	\$7,500.00
1/13/2004	MEL	1.50	1,500	\$2,250.00
1/14/2004	KRL	1.50	20,000	\$30,000.00
1/29/2004	RTK	1.50	3,000	\$4,500.00
1/29/2004	TL	1.50	600	\$900.00
1/30/2004	AS	1.50	1,000	\$1,500.00
1/30/2004	CD	1.50	5,000	\$7,500.00
1/30/2004	ER	1.50	20,000	\$30,000.00
1/30/2004	GL	1.50	2,000	\$3,000.00
1/30/2004	HD	1.50	5,000	\$7,500.00
1/30/2004	HRJ	1.50	10,000	\$15,000.00
1/30/2004	MWI	1.50	800	\$1,200.00
1/30/2004	MAK	1.50	750	\$1,125.00
1/30/2004	OG	1.50	10,000	\$15,000.00
1/30/2004	PBMN	1.50	1,000	\$1,500.00
1/30/2004	RRM	1.50	2,000	\$3,000.00
1/30/2004	VG	1.50	1,500	\$2,250.00
2/2/2004	HJ	1.50	2,000	\$3,000.00
2/2/2004	PS	1.50	6,500	\$9,750.00
2/4/2004	HRK	1.50	6,500	\$9,750.00
2/4/2004	KK	1.50	1,000	\$1,500.00
2/4/2004	KC	1.50	2,000	\$3,000.00
2/4/2004	KPJ	1.50	5,000	\$7,500.00
2/4/2004	NCJ	1.50	1,000	\$1,500.00
2/10/2004	KL	1.50	5,000	\$7,500.00
2/10/2004	KRL	1.50	22,500	\$33,750.00
2/11/2004	KK	1.50	1,000	\$1,500.00
2/17/2004	HRK	1.50	6,000	\$9,000.00
2/17/2004	KRL	1.50	3,000	\$4,500.00
2/18/2004	KC	1.50	1,000	\$1,500.00
3/9/2004	FE	1.50	3,500	\$5,250.00
3/15/2004	KK	1.50	1,000	\$1,500.00

Appendix A

Investment Date	Investor	Price	# of Shares	Total Investment
3/16/2004	DD	1.50	3,000	\$4,500.00
3/17/2004	PM	1.50	2,000	\$3,000.00
3/19/2004	HK(RH)	1.50	1,000	\$1,500.00
3/19/2004	KB(JK)	1.50	1,000	\$1,500.00
3/19/2004	KB(KK)	1.50	1,000	\$1,500.00
3/19/2004	KB(PK)	1.50	1,000	\$1,500.00
3/19/2004	KB(RK)	1.50	1,000	\$1,500.00
3/19/2004	KC	1.50	1,000	\$1,500.00
3/19/2004	KRL	1.50	13,000	\$19,500.00
4/8/2004	BD	1.50	10,000	\$15,000.00
4/21/2004	SS	0.50	100,000	\$50,000.00
5/14/2004	AS	1.50	1,000	\$1,500.00
5/14/2004	CD	1.50	500	\$750.00
5/14/2004	CD	1.50	3,000	\$4,500.00
5/14/2004	DD	1.50	2,000	\$3,000.00
5/14/2004	HRJ	1.50	2,500	\$3,750.00
5/14/2004	KCJ	1.50	1,000	\$1,500.00
5/14/2004	KF	1.50	5,000	\$7,500.00
5/14/2004	KB(JK)	1.50	500	\$750.00
5/14/2004	KB(KK)	1.50	500	\$750.00
5/14/2004	KB(PK)	1.50	500	\$750.00
5/14/2004	KB(RK)	1.50	500	\$750.00
5/14/2004	KC	1.50	1,000	\$1,500.00
5/14/2004	KRL	1.50	2,000	\$3,000.00
5/14/2004	LC	1.50	2,500	\$3,750.00
5/14/2004	LC	1.50	1,000	\$1,500.00
5/14/2004	LC	1.50	1,400	\$2,100.00
5/14/2004	LS	1.50	2,500	\$3,750.00
5/14/2004	LT	1.50	200	\$300.00
5/14/2004	MKK	1.50	665	\$997.50
5/14/2004	NCJ	1.50	2,000	\$3,000.00
5/14/2004	PS	1.50	2,500	\$3,750.00
5/14/2004	SGE	1.50	750	\$1,125.00
5/17/2004	PBMN	1.50	3,500	\$5,250.00
5/18/2004	ER	1.50	3,500	\$5,250.00
5/18/2004	ER	1.50	10,000	\$15,000.00
5/18/2004	ETMC	1.50	16,500	\$24,750.00
5/18/2004	GN	1.50	2,000	\$3,000.00
5/18/2004	HE	1.50	3,500	\$5,250.00
5/18/2004	HD	1.50	4,500	\$6,750.00
5/18/2004	HRK	1.50	4,500	\$6,750.00
5/18/2004	HRK	1.50	7,500	\$11,250.00
5/18/2004	PT	1.50	665	\$997.50
5/18/2004	PB	1.50	20,500	\$30,750.00
5/18/2004	RBD	1.50	2,500	\$3,750.00
7/9/2004	QP	1.50	1,667	\$2,500.50
7/9/2004	QR	1.50	334	\$501.00
7/9/2004	SS	1.50	2,000	\$3,000.00
7/9/2004	WJ	1.50	334	\$501.00
7/9/2004	WS	1.50	1,667	\$2,500.50
7/26/2004	ME	1.50	700	\$1,050.00
7/26/2004	PM	1.50	900	\$1,350.00

Appendix A

Investment Date	Investor	Price	# of Shares	Total Investment
7/26/2004	WS	1.50	1,400	\$2,100.00
7/27/2004	HG	1.50	5,000	\$7,500.00
7/27/2004	KK	1.50	1,000	\$1,500.00
7/27/2004	SD	1.50	3,500	\$5,250.00
7/27/2004	SGE	1.50	1,000	\$1,500.00
7/27/2004	WDM	1.50	5,000	\$7,500.00
7/28/2004	VGS	1.50	1,000	\$1,500.00
8/2/2004	ER	1.50	6,800	\$10,200.00
8/2/2004	HN	1.50	3,000	\$4,500.00
8/3/2004	AHJ	1.50	6,700	\$10,050.00
8/3/2004	CS	1.50	1,300	\$1,950.00
8/3/2004	ETMC	1.50	6,800	\$10,200.00
8/3/2004	GN	1.50	3,400	\$5,100.00
8/3/2004	SE(SS)	1.50	800	\$1,200.00
8/6/2004	BD	1.50	5,000	\$7,500.00
8/6/2004	ML	1.50	2,000	\$3,000.00
8/12/2004	BB	1.50	1,332	\$1,998.00
8/12/2004	MKK	1.50	6,000	\$9,000.00
8/12/2004	RD	1.50	3,320	\$4,980.00
8/17/2004	NAE	1.50	6,667	\$10,000.00
8/27/2004	MW	1.50	3,500	\$5,250.00
8/31/2004	FJ	1.50	3,000	\$4,500.00
9/23/2004	KK	1.50	1,000	\$1,500.00
9/23/2004	PM	1.50	1,000	\$1,500.00
10/5/2004	MR	1.50	250	\$375.00
10/6/2004	CJ	1.50	500	\$750.00
10/14/2004	B(KB)	2.00	1,000	\$2,000.00
10/14/2004	B(LHS)	2.00	100	\$200.00
10/14/2004	BT3	2.00	20,000	\$40,000.00
10/19/2004	CJ	1.50	1,000	\$1,500.00
10/19/2004	ER	1.50	10,000	\$15,000.00
10/19/2004	ETMC	1.50	7,000	\$10,500.00
10/21/2004	SJA	2.00	5,000	\$10,000.00
10/21/2004	SJGRLT	2.00	10,000	\$20,000.00
11/10/2004	BT3	2.00	10,000	\$20,000.00
11/11/2004	SA	2.00	600	\$1,200.00
11/15/2004	FG	2.00	1,000	\$2,000.00
11/15/2004	PMA	1.50	13,334	\$20,000.00
11/15/2004	PJ	2.00	2,500	\$5,000.00
11/16/2004	RF	2.00	1,000	\$2,000.00
11/16/2004	BT3(HMS)	2.00	500	\$1,000.00
11/16/2004	BT3(KB)	2.00	1,500	\$3,000.00
11/16/2004	OR	2.00	1,000	\$2,000.00
11/24/2004	KCJ	1.50	1,000	\$1,500.00
11/30/2004	KCJ	1.50	3,000	\$4,500.00
11/30/2004	RF	2.00	6,000	\$12,000.00
12/9/2004	KPH	1.50	1,000	\$1,500.00
12/15/2004	BT3	2.00	10,000	\$20,000.00
12/16/2004	KK	1.50	10,000	\$15,000.00
12/16/2004	KR	1.50	600	\$900.00
12/16/2004	OR	1.50	1,500	\$2,250.00
12/22/2004	KC	1.50	2,000	\$3,000.00

Appendix A

Investment Date	Investor	Price	# of Shares	Total Investment
12/28/2004	BB	1.50	2,000	\$3,000.00
12/28/2004	LM	1.50	4,000	\$6,000.00
12/31/2004	AM	2.00	2,000	\$4,000.00
1/4/2005	KCE	1.50	750	\$1,125.00
1/10/2005	WS	1.50	5000	\$7,500.00
1/19/2005	FR	1.50	5000	\$7,500.00
1/19/2005	OR	1.00	2000	\$2,000.00
TOTAL			19,345.49	\$2,722,344.00
(Note: Total does not include 110,000 shares paid in compensation to Perez and Poyner)				

Appendix B

Investment Date	Investor	# of Shares	Total Investment
7/13/2004	GoBB	5,000	\$5,000.00
7/13/2004	JDA (JDA)	5,000	\$5,000.00
7/13/2004	DAD (CMD)	5,000	\$5,000.00
12/16/2004	LPG3	4,000	\$4,000.00
12/16/2004	JLM	500	\$500.00
12/23/2004	KK	2,000	\$2,000.00
12/28/2004	MEL	1,000	\$1,000.00
12/28/2004	RF	5,000	\$5,000.00
12/28/2004	DW	4,000	\$4,000.00
12/28/2004	SIA	3,000	\$3,000.00
12/28/2004	EH	3,000	\$3,000.00
12/28/2004	BB	2,000	\$2,000.00
12/28/2004	RCH	2,000	\$2,000.00
12/28/2004	LMW	1,500	\$1,500.00
12/28/2004	RGH	1,000	\$1,000.00
12/28/2004	DD	1,000	\$1,000.00
12/28/2004	LMF	500	\$500.00
12/28/2004	KK	500	\$500.00
1/4/2005	IK&AK	3,500	\$3,500.00
1/4/2005	AC&SC	1,500	\$1,500.00
1/4/2005	PK&HK3	1,000	\$1,000.00
1/4/2005	CJK	1,000	\$1,000.00
1/7/2005	T&KR	1,000	\$1,000.00
1/10/2005	BP&MN	26,000	\$26,000.00
1/19/2005	LG	3,000	\$3,000.00
1/19/2005	SC(JRR)	500	\$500.00
1/19/2005	TL	200	\$200.00
1/27/2005	AJDJ	1,000	\$1,000.00
2/1/2005	DM&KM	10,500	\$10,500.00
2/1/2005	KM	10,000	\$10,000.00
2/1/2005	DEH	5,000	\$5,000.00
2/1/2005	RCM	1,000	\$1,000.00
2/1/2005	TGC	800	\$800.00
2/1/2005	R&KH	500	\$500.00
2/11/2005	CL	700	\$700.00
2/18/2005	YFT	10,000	\$2,500.00
2/18/2005	KK	2,500	\$2,500.00
2/18/2005	CKD	2,000	\$2,000.00
2/18/2005	SIA	1,000	\$1,000.00
2/18/2005	RJA	500	\$500.00
2/18/2005	KAA	500	\$500.00
2/18/2005	NJM	500	\$500.00
2/22/2005	DE	7,500	\$7,500.00
2/22/2005	JJE	7,500	\$7,500.00
2/22/2005	DLH	6,000	\$6,000.00
2/22/2005	RE(RE)	2,000	\$2,000.00
2/22/2005	RE(ME)	2,000	\$2,000.00
2/22/2005	MC&TE(MAE)	1,000	\$1,000.00
2/22/2005	MC&TE(CJE)	2,000	\$2,000.00
2/22/2005	CS	2,000	\$2,000.00
2/22/2005	RGH	2,000	\$2,000.00
2/22/2005	JE	1,000	\$1,000.00
2/22/2005	NEH	1,000	\$1,000.00
2/22/2005	NG(KG)	500	\$500.00
2/23/2005	ADH	10,400	\$10,400.00

Appendix B

Investment Date	Investor	# of Shares	Total Investment
2/23/2005	DM&KM	10,000	\$10,000.00
2/23/2005	JCC	5,100	\$5,100.00
2/23/2005	DEH	5,000	\$5,000.00
2/23/2005	CPAS	5,000	\$5,000.00
2/23/2005	DMW	5,000	\$5,000.00
2/23/2005	FK&SL	4,000	\$4,000.00
2/23/2005	KK	2,500	\$2,500.00
2/23/2005	DDH/LFH	2,000	\$2,000.00
2/23/2005	DK	2,000	\$2,000.00
2/23/2005	EV	1,000	\$1,000.00
2/23/2005	RJW	500	\$500.00
2/25/2005	J&MD	10,000	\$2,500.00
2/25/2005	SBS	2,500	\$2,500.00
2/25/2005	DH	1,000	\$1,000.00
2/25/2005	CK	500	\$500.00
2/25/2005	KH(RH)	500	\$500.00
3/1/2005	R&JB	2,000	\$2,000.00
3/4/2005	BP&MN	50,000	\$50,000.00
3/4/2005	KM	10,000	\$10,000.00
3/4/2005	LG	10,000	\$10,000.00
3/4/2005	M&TK	10,000	\$10,000.00
3/4/2005	DE	5,000	\$5,000.00
3/4/2005	CJK	4,000	\$4,000.00
3/4/2005	IHK	1,000	\$1,000.00
3/4/2005	BMK	500	\$500.00
3/4/2005	KMK	500	\$500.00
3/4/2005	AMK	500	\$500.00
3/4/2005	BIK	500	\$500.00
3/4/2005	BJK	500	\$500.00
3/4/2005	KWBJ	3,000	\$3,000.00
3/4/2005	BT	2,000	\$2,000.00
3/4/2005	GT	1,000	\$1,000.00
3/4/2005	WEM	2,500	\$2,500.00
3/4/2005	PK/HK3	2,000	\$2,000.00
3/4/2005	DV	2,000	\$2,000.00
3/4/2005	DCD	2,000	\$2,000.00
3/4/2005	DCD	2,000	\$2,000.00
3/4/2005	JNC	1,250	\$1,250.00
3/4/2005	CNK	1,000	\$1,000.00
3/4/2005	CNK	1,000	\$1,000.00
3/4/2005	CFB	1,000	\$1,000.00
3/4/2005	W&IJM	1,000	\$1,000.00
3/4/2005	JFF	500	\$500.00
3/4/2005	TML	200	\$200.00
3/8/2005	MFS	25,000	\$25,000.00
3/8/2005	GM&BM(MFTA)	20,000	\$20,000.00
3/8/2005	JJS	5,000	\$5,000.00
3/8/2005	WCS	5,000	\$5,000.00
3/8/2005	G&SB	5,000	\$5,000.00
3/8/2005	GWV	5,000	\$5,000.00
3/8/2005	MEJ	4,000	\$4,000.00
3/8/2005	KK	3,500	\$3,500.00
3/8/2005	VO&LC	3,200	\$3,200.00

Appendix B

Investment Date	Investor	# of Shares	Total Investment
3/8/2005	TS	3,000	\$3,000.00
3/8/2005	JSS	3,000	\$3,000.00
3/8/2005	DE	2,500	\$2,500.00
3/8/2005	RH	1,500	\$1,500.00
3/8/2005	KK	1,500	\$1,500.00
3/8/2005	MO	1,500	\$1,500.00
3/8/2005	KRJ	1,100	\$1,100.00
3/8/2005	SA	1,000	\$1,000.00
3/8/2005	BRA	1,000	\$1,000.00
3/8/2005	RA	1,000	\$1,000.00
3/8/2005	MJF	1,000	\$1,000.00
3/8/2005	SJR	750	\$750.00
3/8/2005	TLD	500	\$500.00
3/8/2005	TLD	500	\$500.00
3/8/2005	CLR	500	\$500.00
3/8/2005	KS	450	\$450.00
3/8/2005	CL	300	\$300.00
3/10/2005	MP	10,000	\$10,000.00
3/10/2005	WPO	10,000	\$10,000.00
3/10/2005	R&MB	10,000	\$10,000.00
3/10/2005	ECS/GS	5,000	\$5,000.00
3/10/2005	G&SB	5,000	\$5,000.00
3/10/2005	RF	5,000	\$5,000.00
3/10/2005	WGV	2,500	\$2,500.00
3/10/2005	JJD	1,000	\$1,000.00
3/10/2005	JSD	1,000	\$1,000.00
3/10/2005	SL	1,000	\$1,000.00
3/10/2005	SM	1,000	\$1,000.00
3/10/2005	GJH	1,000	\$1,000.00
3/10/2005	RH	750	\$750.00
3/16/2005	GTL	1,500	\$1,500.00
3/16/2005	HM	1,500	\$1,500.00
3/16/2005	AC	1,000	\$1,000.00
3/16/2005	GTL	1,000	\$1,000.00
3/16/2005	D&CD	1,000	\$1,000.00
3/16/2005	M&JR	750	\$750.00
3/16/2005	KK/DZ	500	\$500.00
3/16/2005	JB	500	\$500.00
3/16/2005	JPR	500	\$500.00
3/16/2005	JWH	500	\$500.00
3/16/2005	DHC	500	\$500.00
3/16/2005	CJW	500	\$500.00
4/5/2005	DMW	10,000	\$10,000.00
4/5/2005	WP/AP	10,000	\$10,000.00
4/5/2005	DD/CD	2,000	\$2,000.00
4/5/2005	LBW	1,500	\$1,500.00
4/5/2005	DCS	1,000	\$1,000.00
4/8/2005	DAB	10,000	\$10,000.00
4/8/2005	DE	10,000	\$10,000.00
4/8/2005	DGT	10,000	\$10,000.00
4/8/2005	TSB	10,000	\$10,000.00
4/8/2005	B&SB	10,000	\$10,000.00

Appendix B

Investment Date	Investor	# of Shares	Total Investment
4/8/2005	RWM	10,000	\$10,000.00
4/8/2005	RAW	7,000	\$7,000.00
4/8/2005	DD/CD	6,000	\$6,000.00
4/8/2005	IHK	5,000	\$5,000.00
4/8/2005	BIK	500	\$500.00
4/8/2005	WM&LM	5,000	\$5,000.00
4/8/2005	KI/NI	5,000	\$5,000.00
4/8/2005	KI/NI	5,000	\$5,000.00
4/8/2005	BB	5,000	\$5,000.00
4/8/2005	CAB	5,000	\$5,000.00
4/8/2005	JF	5,000	\$5,000.00
4/8/2005	CF	500	\$500.00
4/8/2005	JIM	500	\$500.00
4/8/2005	WM(DWM)	500	\$500.00
4/8/2005	SWB(MB)	500	\$500.00
4/8/2005	SWB(CB)	500	\$500.00
4/8/2005	TSW	500	\$500.00
4/8/2005	TSW(VW)	500	\$500.00
4/8/2005	TSW(AW)	500	\$500.00
4/8/2005	MF	500	\$500.00
4/8/2005	KMM	500	\$500.00
4/8/2005	PK/HK3	4,000	\$4,000.00
4/8/2005	BN	3,500	\$3,500.00
4/8/2005	JMM	3,000	\$3,000.00
4/8/2005	JMM	3,000	\$3,000.00
4/8/2005	JB/JAB	3,000	\$3,000.00
4/8/2005	NW	2,000	\$2,000.00
4/8/2005	RJB	2,000	\$2,000.00
4/8/2005	KWBJ	2,000	\$2,000.00
4/8/2005	DJR	1,500	\$1,500.00
4/8/2005	JS/RS	1,000	\$1,000.00
4/8/2005	RGH	1,000	\$1,000.00
4/8/2005	C&FB	1,000	\$1,000.00
4/8/2005	CS	1,000	\$1,000.00
4/8/2005	JE	1,000	\$1,000.00
4/8/2005	SP	1,000	\$1,000.00
4/8/2005	DR	1,000	\$1,000.00
4/8/2005	JVC/MC	700	\$700.00
4/14/2005	GS/ECS	4,000	\$4,000.00
4/15/2005	BAK	20,000	\$20,000.00
4/15/2005	BK(KK)	4,000	\$4,000.00
4/15/2005	BK(PK)	4,000	\$4,000.00
4/15/2005	BK(RK)	4,000	\$4,000.00
4/15/2005	BK(JK)	4,000	\$4,000.00
4/15/2005	EM	5,000	\$5,000.00
4/15/2005	BRA	4,500	\$4,500.00
4/15/2005	WB/TB	4,000	\$4,000.00
4/15/2005	DJJ	2,000	\$2,000.00
4/15/2005	SIA	1,500	\$1,500.00
4/15/2005	KRJ	1,100	\$1,100.00
4/15/2005	TML	1,000	\$1,000.00
4/15/2005	TCS	1,000	\$1,000.00

Appendix B

Investment Date	Investor	# of Shares	Total Investment
4/15/2005	JWG3	1,000	\$1,000.00
4/15/2005	CK	500	\$500.00
4/15/2005	KRJ	200	\$200.00
4/15/2005	SVA	200	\$200.00
4/15/2005	PCF	25	\$25.00
4/15/2005	MC	25	\$25.00
5/3/2005	KK(AK)	1,500	\$1,500.00
5/3/2005	KK(BK)	1,500	\$1,500.00
5/3/2005	KK	2,000	\$2,000.00
5/3/2005	BJ&FCJ	5,000	\$5,000.00
5/3/2005	CC/AC	1,000	\$1,000.00
5/25/2005	IHK	5,500	\$5,500.00
5/16/2005	VLR	2,000	\$2,000.00
5/16/2005	VR/LR	1,000	\$1,000.00
6/28/2005	DMH/MEH	5,000	\$5,000.00
6/28/2005	NAC/JFC	1,000	\$1,000.00
6/28/2005	DHR	1,000	\$1,000.00
6/28/2005	DF	1,000	\$1,000.00
TOTAL		767,700	\$752,700.00